## 13 May 2011

## **DISPOSITION MEMORANDUM**

SUBJECT: (U//AIUO) Possible Violation of Post-Employment Restriction

CASE:

2010-09556-IG

## **INTRODUCTION:**

Г	1. (S) On 20 January 2010,	(b)(3
	National	
L	Clandestine Service (NCS) advised the Office of Inspector General (OIG) that	
	Agency retired is running a business that has a number of Chinese clients. (b)(3) said business,	(b)
)	business that has a number of Chinese clients. (b)(3) said business,	
)	is based in the Washington D.C. area and	(b)
	travels to China. stated he has no knowledge of whether sought	(b)
	counsel from the Office of General Counsel (OGC) concerning his post-	( /
	retirement employment.	(b)(
	2. (C) retired from the Agency in February 2006. At the time of his retirement, was an Agency Senior Intelligence Service (SIS) officer.	(b)
	In January 2010, reported that was	
Į	running a business "that had a lot of foreign clients." At question is whether	(b)
	between the time he retired in and the time that his final	(b)
	restrictions would have expired in violated any of his post	(b)
	employment restrictions, specifically prictions forbidden by Title 18 U.S.C.	(0)
	§ 207 (a)(2), Title 18 U.S.C. § 207 (f), Section 402 of the Intelligence	
	Authorization Act of 1997 and or Agency Regulation i.e., did he:	
	(1.1/2)	
	(b)(3)	

(b)(3)

SECRET

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<ul> <li>Make any communication or appearance be action on behalf of a third party within two (Title 18 U.S.C. § 207 (a)(2)) (Exhibit A.)</li> </ul>		
• Sign a "Section 402 agreement" IAW the In Act of 1997? (Section 402 of the Intelligence 1997) (Exhibits B and C.)	ce Authorization Act of	b)(3
<ul> <li>Represent or advise a foreign government of within three years of his separation (Section Authorization Act of 1997) (Exhibits B and</li> </ul>	402 of the Intelligence	
PROCEDURES AND RESOURCES		
3. (S) OIG interviewed Counsel, Administrative Law Division (ALD);		b)(3 (b)(3
and the Su	bject of this	/( -
investigation. OIG reviewed and	OGC records regarding (b)	(3)
Subject and reviewed internet information and corpor by Subject regarding his company, (b)(6)	rate information supplied	` ,
FINDINGS	(b)(3) (b)(6)	
4. (S) stated he did not know if	client list	
included foreign persons, foreign governments, or for	reign corporations. He	
opined that clients $w_{(b)(3)}$	imarily large US-based	
opined that clients $w_{(b)(3)}$ clients we of client $w_{(b)(3)}$ advised that the current head of the	was working with,	
advised that the current nead of the	(b)(6) told him	
that that $(b)(6)$ is one of $(b)(3)$ clients.		
5. (S) $(b)(3)$ said he believed that $(b)(3)$ began activities shortly after he retired. He said $(b)(3)$ and he retired from the Agency shortly the	gan his consulting	
and he retired from the Agency shortly th	ereafter. According to	
(D)(3)	(b)(3)	
	vent to work with (b)(6)	
shortly after $(b)(3)$ He said $(b)(6)$ and anoth	her former $(b)(6)$ who	
was a former chief of the	ed on with $(b)(6)$ in	

to

(b)(3)

(b)(3) (b)(6)

opined the hiring of

a former Agency

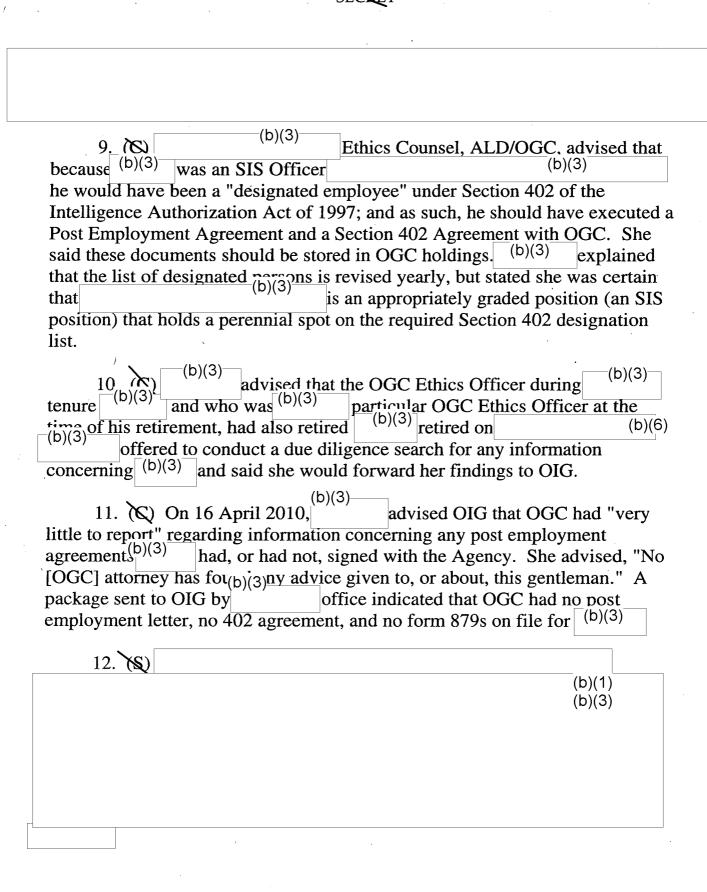
(b)(3)

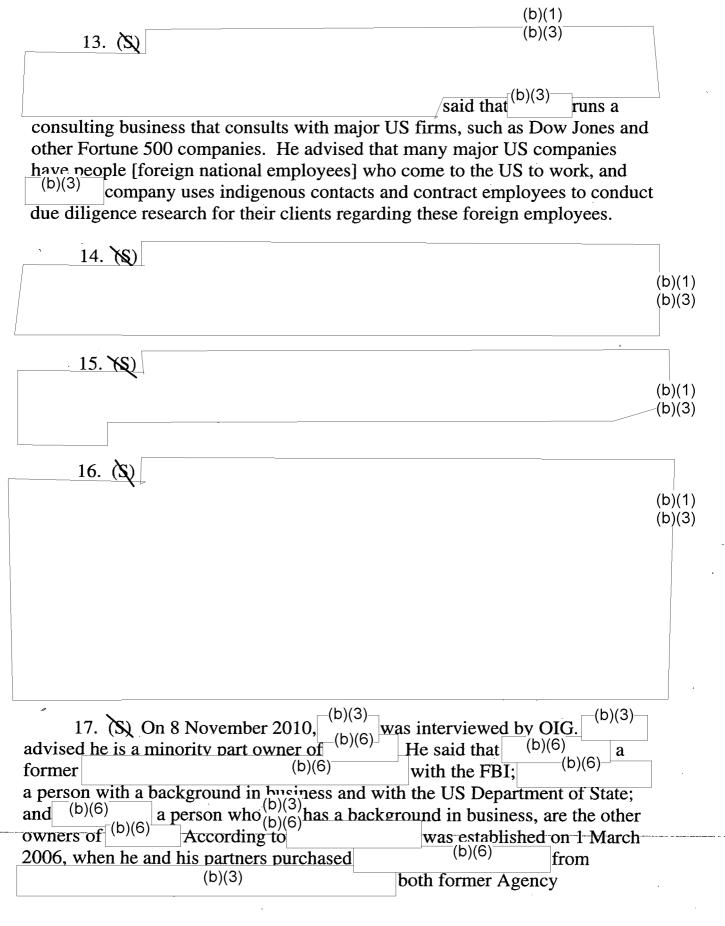
(b)(3)

was connected

	opined that their connection with (b)(3) gained employment with by way of their connection with (b)(3) and they eventually took over control of (b)(6)  (c)(6)  (d)(6)  (d)(6)  (e)(6)  (f)(6)  (f)(7)  (f)(8)  (f)(8)  (f)(9)  (f)(9)  (f)(1)  (f)(1)
(b)(3) (b)(6)	obtain telephone records, conduct surveillance, and to do other things of that nature $(b)(6)$ needed personnel who were indigenous to the environment.  As an example, he stated that $(b)(6)$ hires Chinese employees $(b)(1)$ $(b)(6)$ $(b)(6)$ $(b)(3)$ $(b)(6)$
	(b)(1) (b)(3)

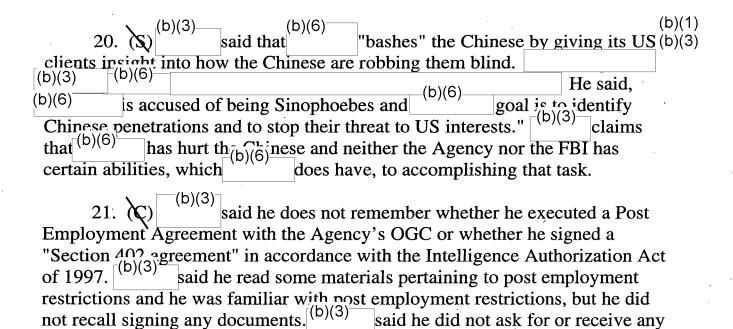
(b)(1) (b)(3)





5 SECRET

	(b)(3)(b)(6)
	employees. said that basic misching was to be a "response
	center" to take care of travel. He said that
(	first opened as an adjunct to (D)(O) and then evolved into a consulting
L	company. $(b)(3)$ said he started consulting almost immediately upon his
	retirement from the Agency.
	18. (C) advised that is a consulting company that responds directly to its client's requests. He said that earlier in his company's
	responds directly to its client's requests. He said that earlier in his company's
	history, it did due diligence and background investigations for US companies,
	but now (b)(6) helps corporations with their business strategies concerning
	countries like China. (b)(6)
	(b)(3) advised his customers are major US
	corporations such as
/	(b)(6)
	(b)(3)
	19. (C) said (b)(6) has no direct contact with the Chinese
	government or anyone with a Chinese political party affiliation. He said he has
	never hired anyone with those affiliations and never will. According to $(b)(3)$
	hires a separate intermediary company who, in-turn, hires a Chinese
,	investigative agency (that is not part of the Chinese government but may have employees who work for the Chinese government). He said works
	employees who work for the Chinese government). He said works
	through this company using "team leaders" who handle the liaison between his
_	company and the contracted Chinese investigative agenci, according to
(b)	the team leaders are also contract hires and not said (b)(6) provides its contract team leader with
	provides its contract team leader with
	requirements and they, in-turn, supply the requirements to the Chinese
	investigative agency. He said the make-up of the (b)(6) contractor team
	leaders is one (b)(6) employee, one (b)(6) employee.
	employee, and one employee.
Г	said the Chinese investigative agency, in-turn, delivers its results over to the
	(b)(6) contractors, who then provide the information to said
	practice of using coordinators to orchestrate the use of a legal
	Chinese agency to do background work is a tindard practice in their
	business, many companies do it. He said strength is in its ability to
	analyze the information and provide a report to its client.



said he did not ask for or receive any

said that since his retirement, he has neither made any communication or appearance before CIA seeking official action on behalf of a third party nor has he represented, aided, or advised a foreign government or foreign political party with the intent to influence the US government. He said he has been very strict about any post employment restrictions. (b)(3)said he is diligent regarding his post employment restrictions but he is even more concerned, and watches even more closely, the Foreign Companies Practices Act. He explained that the Foreign Companies Practices Act specifies that US companies cannot pay a foreign officers or country for favors.

written "waivers," signed by the Executive Director regarding his business and

## **CONCLUSIONS:**

or contact with a foreign government.

- 23. (U//<del>AIUO)</del> No available documents or testimony indicates, demonstrates, or validates that (b)(3)
  - Made any communication or appearance before CIA seeking official action on behalf of a third party within two years of his separation.
  - Aided or advised a foreign government or foreign political party with the intent to influence the US government within a year of his separation.

- Signed a "Section 402 agreement" IAW the Intelligence Authorization Act of 1997.
- Represented or advised a foreign government or foreign political party within three years of his separation.

This case is closed.

(b)(3) (b)(6)	
(b)(3) (b)(6)	